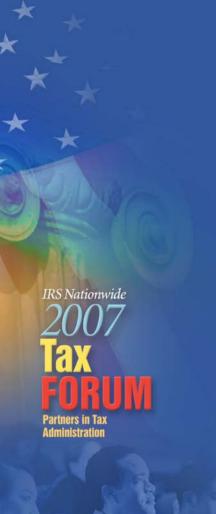




REQUIREMENTS FOR YOU TO SECURE TAXPAYER INFORMATION



The Laws/Rules

- Gramm-Leach-Bliley-Act (1999)
 –Privacy and Safeguards Rules
- IRS Disclosure & Use
- IRS *e-file* rules
- Sarbanes-Oxley Act (SOX)
- State laws



GLBA & FTC Rules Apply to YOU if:

- "Significantly engage" in providing financial products or services to customers for compensation OR
- Receive or share information with other financial institutions or affiliates
- The GLBA affects businesses, regardless of size

You Are a Financial Institution if

You are paid to:

• Receive

• Prepare

• Process

• Store or

• Transmit non-public customer, financial and tax information





FTC Privacy and Safeguards Rules

Financial Institutions Must:

- Provide privacy of nonpublic customer information
- Provide annual privacy policy notices to customers
- Safeguard customer information



How to Comply

- <u>Safeguarding Taxpayer Data, a Guide</u> for <u>Businesses</u>, Pub. 4557 at www.irs.gov
- IRS regulations and e-file provider rules at www.irs.gov
- FTC guidelines for businesses on privacy, safeguards, and identity theft at www.ftc.gov



Required Safeguards

- Assess risks in your office
- Write security plan to cover
 - Employees management & training
 - Office, systems
 - Detection & managing/mitigation
- •Implement your plan
- Test, monitor, adjust it



- Check employee references
- Require employee agreements
- Train employees periodically
- Limit employee and others access
- Impose disciplinary measures



- Lock rooms and cabinets
- Store records in secured area
- Protect against destruction & damage
- Inventory hardware
- Dispose of information & hardware securely





- Protect passwords
 - Use strong passwords-8 alphanumeric
 - Change passwords periodically
 - Use timed password-activated screen savers
 - Don't post or share passwords
- Encrypt sensitive data when:
 - Transmitting over networks
 - -Storing on servers or media
- Encrypt entire computers, media





- Don't <u>store</u> sensitive data on a machine with Internet connection
- Backup system periodically on secure media
- Maintain updated firewalls, anti-virus software updates, security patches, antispy ware, anti-ad ware
- Provide central management of security tools and password/security protections





- Notify local law enforcement
- Notify FTC www.ftc.gov email and phone numbers available
- Notify customers and business partners
- Take corrective actions
- Prevent other breaches

